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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000287

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SUBJECT: DIRECTOR AND KMT PRESIDENTIAL CANDIDATE MA  
YING-JEOU DISCUSS CROSS-STRAIT POLICY, CAMPAIGN ISSUES

Classified By: AIT Director Stephen M. Young,  
Reason: Sec 1.4 (a/b/d)

SUMMARY

¶1. (C) During a March 2 meeting with Director Young, KMT presidential candidate Ma Ying-jeou sketched out his plans to quickly expand cross-strait direct flights and tourism, while acknowledging this would require a spirit of reciprocity and openness on the part of Beijing to a new relationship with Taiwan. Ma was careful not to define the extent of his lead over Frank Hsieh in internal KMT polls, but made it clear he remains worried that DPP campaigning and "dirty tricks" could narrow the contest in the remaining weeks before March ¶22. DIR noted some pressing issues the next president of Taiwan will have to address in the U.S.-Taiwan relationship. End Summary.

¶2. (C) Director Young met KMT presidential candidate Ma Ying-jeou on March 2 to discuss campaign issues in the last weeks before Taiwan's presidential elections (consular issues covered Septel). DIR asked for Ma's interpretation of last week's decision by the South Korean government to bar both DPP NSC Secretary General Mark Chen and KMT Speaker of the Legislative Yuan Wang Jin-pyng from participating in the new ROK President's inauguration ceremony. Ma admitted this was a setback to Taiwan, which highlighted the challenges the island's next leader would face. The Chinese MFA was particularly aggressive in seeking to prevent any expansion of Taiwan's "international space," Ma continued, and this policy would continue until China's MFA was directed to change by top PRC leaders. Ma believed there was a framework for resolving such questions as part of broader liberalization of cross-strait ties, based upon Lien Chan's 2005 accord with Hu Jintao. Ma delineated three areas of special concern: peace, which would take some time, prosperity, i.e. broadening the scope of cross strait trade and investment, including the expansion of direct flights; and international space, meaning reaching some understanding that would end the zero-sum Chinese approach to Taiwan participation in international organizations as well as the cutthroat competition over Taiwan's dwindling stable of diplomatic allies. He planned to test Hu's sincerity to move forward in these areas early in his tenure, if elected.

13. (C) A key priority was liberalization of direct flights and expansion of PRC tourism to Taiwan by July first. This was timed to permit Taiwan to enjoy some spillover from the many international tourists coming to Beijing for the August Olympics, as well as to fulfill Ma's pledge to quickly expand the volume of PRC tourists to Taiwan to 3000 a day. This proposal had been warmly embraced by Taiwan's tourism industry, which he claimed already has the infrastructure in place to accommodate these numbers. That said, Ma told us he has underscored the importance of having Taiwan's tourism adjust to the needs of mainland tourists, if it was to keep the numbers flowing. Increasing from one million mainland tourists a year to higher target numbers would depend on making this adjustment. But Ma seemed confident this could work, to the benefit of the local economy here.

14. (C) DIR took this opportunity to push for expanded cross-strait direct flights to include third country nationals. This would address longtime concerns of international business, by allowing their executives and other employees to travel easily from one side of the strait to the other. Ma readily agreed, adding that this would also promote greater China tourism. But he also suggested his first priority was to open up charter flights for Taiwan and PRC passengers, then move on to this second stage. DIR cautioned that it might be harder to broach this topic later if it wasn't placed on the agenda early on, and Ma agreed to consider the idea.

15. (C) DIR asked Ma to comment on KMT Chairman Wu Poh-hsiung's weekend comment that Ma's lead over Frank Hsieh was now only ten percent. Ma professed not to be clear as to just what Wu was referring to, but he quickly went on to

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suggest his lead was actually higher. Without giving numbers, Ma claimed there had been very little change since last summer in his lead over Hsieh, according to various internal polls. Hsieh's support numbers had climbed a couple of points, but so had Ma's, suggesting merely that undecided voters were shifting over to the two camps in equal numbers. Pushed to discuss his own internal poll numbers, Ma sidestepped, saying merely that a TVBS (a pro-Blue television station) poll over the weekend had Ma ahead of Hsieh by a margin of 54 to 30. But Ma went on to express worry that the DPP was prepared to continue to hammer the green card issue and perhaps introduce other "dirty tricks" in an attempt to narrow the gap. (Note: Global Views Monthly Polling Center Director Tai Li-an told AIT that Wu's ten percent figure came from a special internal KMT poll whose questions were specially designed to show the worst-case results for Ma in the presidential election.)

16. (C) DIR highlighted some ongoing issues that would have to be briefed to whoever wins March 22's contest. This list included Taiwan's program to develop offensive missiles, the management of bilateral security cooperation programs, fully opening up of Taiwan's market to beef and liberalization of conditions surrounding the import of U.S. pork, and preparation for the next round of Trade and Investment Framework Agreement (TIFA) talks here in Taipei this summer. With a change of administrations coming up in the U.S. in January, 2009, it would be important for Taiwan's next president to move swiftly to address these issues in the first months of his presidency. Ma welcomed the opportunity to engage on these subjects if elected.

17. (C) In closing, DIR stressed the care with which AIT and the USG continue to approach our exchanges with the candidates, in an effort to prevent leaks which could be manipulated by the two parties or the Taiwan media to imply a U.S. bias on the election. He urged the KMT to respect this proprietary approach to our discussions.

Comment

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18. (C) Though still seemingly confident in his lead, Ma was at his most emotional in revealing fear that his opponent was still planning further unpleasant surprises ("dirty tricks") between now and election day that could sway the outcome against him.  
YOUNG